

The Clorox Company

Earnings (Losses) From Continuing Operations Before Interest and Taxes (EBIT), Earnings (Losses) From Continuing Operations Before Interest, Taxes, Depreciation and Amortization (EBITDA) ⁽¹⁾

Reconciliation of earnings (losses) from continuing operations before income taxes to EBIT and EBITDA

Dollars in millions and percentages based on rounded numbers

	FY 2011					FY2012	
	Q1	Q2	Q3	Q4	FY	Q1	Q2
	9/30/10	12/31/10	3/31/2011	6/30/11	6/30/11	9/30/11	12/31/11
Earnings (losses) from continuing operations before income taxes	\$ 202	\$ (112)	\$ 219	\$ 254	\$ 563	\$ 187	\$ 155
Goodwill impairment ⁽²⁾	-	258	-	-	258	-	-
Interest income	(1)	(1)	-	(1)	(3)	(1)	(1)
Interest expense	32	33	29	29	123	29	30
EBIT ⁽³⁾	233	178	248	282	941	215	184
<i>EBIT margin ⁽³⁾</i>	18.4%	15.1%	19.0%	19.0%	18.0%	16.5%	15.1%
Depreciation and amortization	45	43	42	43	173	46	43
EBITDA ⁽⁴⁾	\$ 278	\$ 221	\$ 290	\$ 325	\$ 1,114	\$ 261	\$ 227
<i>EBITDA margin ⁽⁴⁾</i>	22.0%	18.7%	22.2%	21.9%	21.3%	20.0%	18.6%
Net sales	\$ 1,266	\$ 1,179	\$ 1,304	\$ 1,482	\$ 5,231	\$ 1,305	\$ 1,221

(1) In accordance with SEC's Regulation G, this schedule provides the definition of certain non-GAAP measures and the reconciliation to the most closely related GAAP measure. Management believes the presentation of EBIT, EBIT margin, EBITDA and EBITDA margin provides additional useful information to investors about current trends in the business. These non-GAAP financial measures may not be the same as similar measures presented by other companies.

Note: The calculation of EBITDA for compliance with the Company's debt covenants uses net earnings and includes other items as defined by its revolving credit agreement.

(2) The goodwill impairment represents a \$258 million noncash charge recognized in Q2 fiscal 2011 to adjust the carrying value of the goodwill related to the acquisition of Burt's Bees to estimated fair value.

(3) EBIT (a non-GAAP measure) represents earnings before income taxes (a GAAP measure), excluding goodwill impairment, interest income and interest expense, as reported above. EBIT margin is a measure of EBIT as a percentage of net sales.

(4) EBITDA (a non-GAAP measure) represents earnings before income taxes (a GAAP measure), excluding goodwill impairment, interest income, interest expense, depreciation and amortization, as reported above. EBITDA margin is a measure of EBITDA as a percentage of net sales.